

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1775 - HB 2201

June 10, 2020

SUMMARY OF ORIGINAL BILL: Deletes the authorization to charge monitoring inspection fees applicable to each new manufactured home built in this state.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue - \$628,400/FY20-21 and Subsequent Years
/Manufactured Housing Fund

SUMMARY OF AMENDMENTS (015250,018512): Amendment 015250 deletes all language after the enacting clause. Prohibits the transport of mobile homes during holidays in which excess weight or size permits are prohibited, rather than during every legal holiday. Creates an annual permit for transport of mobile homes exceeding 120' in length for a fee of \$2,000. Increases, from 16' to 18', the maximum width of transport of any mobile home by authorizing a single-trip permit for mobile homes between 16' and 18' wide for a fee of \$200.

Amendment 018512 deletes and replaces language in the bill as amended by amendment 015250 to change the effective date from July 1, 2020 to October 1, 2020.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue - \$2,000/FY20-21 and Subsequent Years

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 55-4-405, a permit to transport a mobile home exceeding 120' in length requires a single trip permit for \$25.00.
- The proposed legislation creates an annual permit option for transports of mobile homes exceeding 120' in length for \$2,000.
- It is unknown how many single trip permits are issued to the same transporter annually; however, it is assumed that a single transporter would not purchase the annual trip permit option unless they required enough individual single trip permits to amount, at a minimum, to the annual trip permit fee (therefore, likely resulting in a decrease in permit fee revenue), or unless the purchase is made simply due to convenience (which could

result in an increase or decrease in state revenue). The net impact on state permit fee revenue from this provision is estimated to be not significant.

- Pursuant to Tenn. Code Ann. § 55-4-406, transport of a mobile home exceeding 16' in width is prohibited.
- The proposed legislation increases the width limit for mobile home transport to 18' by authorizing a single-trip permit for mobile homes between 16' and 18' in width for a fee of \$200.
- Based on information provided by the Department of Transportation (DOT), 273 permits for transport of mobile homes exceeding 8'6" in width were issued in FY19-20.
- It is unknown how many permits were denied for transport of a mobile home exceeding 16' in width.
- It is estimated that DOT would annually issue 10 additional single-trip permits for transport of mobile homes between 16' and 18' in width for a fee of \$200 each.
- Pursuant to Tenn. Code Ann. § 55-4-411(c), the DOT retains permit fee revenue only equal to the expenses incurred to administer the program. The remaining balance is allocated to the General Fund.
- The DOT can issue additional permits within existing resources; therefore, permit fee revenue from the proposed legislation will be allocated to the General Fund.
- A recurring increase in state revenue of \$2,000 (10 permits x \$200 fee) in FY20-21 and subsequent years.
- An effective date of October 1, 2020 is not estimated to significantly decrease permit revenue in FY20-21.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/agr